ON MY OWN

#

You have an imaginary Bachelor of Arts or Bachelor of Science degree that you just received from a real college; or you have completed four years of work experience since graduating high school. Your task is to provide the best life that you possibly can for yourself.

# I. Getting a Job

1. **Finding a Job**. You must find a real job in the **Los Angeles** area. You can look through the classified ads, or the Internet. You must attach a copy of the ad or a letter from a firm stating its willingness to hire you (working for your dad or friend). You must document the specific job and the salary. You must also include a short commentary on why you accepted this job. (This is fake you are not really going to apply)
2. **Resume**. Create a resume for yourself being as accurate as possible to your own life. You may only include aspects of your life that you anticipate being involved in during the next four years, but have not yet done. (Ex. Extracurricular activities, summer jobs, college, etc.) Use the format discussed in class.
3. **Cover Letter**. You must draft a cover letter to send with your resume to prospective employers. The letter should not exceed one page and should set forth why you would be a good candidate for the particular position. (Fake)

## II. Calculating Monthly Disposable Income

1. **Social Security Tax**. To determine how much you will pay in social security taxes, multiply your gross income by 6.2%.
2. **Medicare Tax**. To determine how much you will pay in Medicare taxes, multiply your gross income by 1.45%.
3. **Federal Income Tax**. You will need to go to a website online to get an estimate. A user-friendly website for this is [www.smartasset.com](http://www.smartasset.com) and search “Federal Income Tax Calculator”
4. **California State Income Tax**. You will need to go to a website online to get an estimate. A user-friendly website for this is: [www.smartasset.com](http://www.smartasset.com) and search “California Income Tax Calculator”

**Calculate Total Taxes** Federal Income Tax $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 + Social Security $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 + Medicare $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 + State Income Tax $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 = Total Taxes $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **Calculate Total Monthly Disposable Income**

 Annual Income $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

-Total Taxes $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

= Annual Disposable Income $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

/ by 12 = Total Monthly Disposable Income $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## III. Calculating Monthly Expenses

You must document your expenses for one month in current dollars, as follows. Show a running calculation of your expenses as they are subtracted from you total monthly **disposable income**. You do not have to purchase everything below, but only those things that you realistically anticipate purchasing.

1. **Housing**. Document monthly rent with an ad, letter from a housing broker, or lease application. You may wish to visit some apartments before deciding on one, though you are not required to do so. If you are going to live at home then it is $500.
2. **Furniture**. Some rental residences come pre-furnished (it would stipulate it in the ad). Otherwise, you may either purchase furniture (new or used) or rent furniture. Document with specific ads or quotes from stores. (Divide the cost by 12, that is how much it would be a month)
3. **Food**. One month’s plan in detail: consider Markets, specialty stores and eating out. Document with some store receipts or specific store prices.
4. **Transportation**. Document with an ad, receipt, or quote from a specific store/station. Type of car-model, year; gas (document per gallon price); oil (should be changed every three months; to calculate monthly charge, divide price of an oil change by 3); car wash; repairs (suggestion: research how much money people spend on average per year and divide by 12), yearly inspection fee (divide by 12), license and registration fee (suggestion: quote from a Department of Motor Vehicles for the year, and divide by 12); and parking.
5. **Utilities**. For each of the following, document with direct quotes from specific companies (ask for written rate sheets) or actual current bills: telephone, gas, electricity, water, cable, and installation fees.
6. **Insurance**. Car (document with quote from company based on the car you described; assume you’re 22 years old, and use your actual driving record); medical (document with a quote from company; note that some jobs include medical benefits, so inquire about yours); life insurance, earthquake insurance, or other types of insurance are **optional**.
7. **Entertainment**. Whatever you desire: gym membership, recreation, movies, tapes, videos, etc. Document with current receipts or direct quotes from stores/theaters/etc.
8. **Clothes**. Work Wardrobe? New clothes? Estimate monthly clothing expenses. Laundering expenses (dry cleaning, laundry machines): document with ads or direct quotes.
9. **Hobbies/incidentals**. Document with receipts or quotes from specific stores (cosmetics, hair care, toiletries, cleaning supplies, garbage bags, laundry, detergent, subscriptions, pets, gifts, etc.). Be specific: for example, if you are going to purchase subscriptions to magazines, which ones will you purchase?
10. **Miscellaneous Monthly Payments**. Newspaper delivery? Cleaning lady/ ***Cell phone?*** Savings etc. Be sure to document!
11. **Vacation/Travel**. Document any future plans with ads or direct quotes from companies (package deals or separate out airfare, hotel, rental car, expenses, etc.). Be sure to verify vacation time with employer.
12. **Emergency Savings**. Floods, accidents, unforeseen expenses, etc. If any money remains; potential investment money, plans to buy a house, etc.

##### IV. Graph your expenses. Produce a pie chart of your major expenditures (best presented as a percentage of your monthly income). The full pie should represent your gross monthly income.

## V. Create a Poster or a portfolio

Create a poster or a portfolio to document your experience “on my own”. Your poster or portfolio must include your: All of part 1: Resume, Cover Letter, Job Ad. The calculating monthly disposable income sheet from the final packet. Monthly Budget Calculations, which are A-L (as well as any materials used to document expenses), pie chart and your reflection.

## IV. Reflection

The final section of your project should be a reflection on your experience. What have you learned from this project? Analyze your expenditures; discuss priorities, surprises, opportunity costs, trade-offs, etc. This reflection should be **one** page typed and single-spaced.